1952-53 **File No.** LBG 1152

B CLASS P.W. **DEPARTMENT**
K **BRANCH**

Subject:—

Bagalkot Ele. Supply Co.

Accounts

31.3.51

B(K) 1152

File No. LBG 1152K

Ed. Secrt. Slip. 21 A—

[93—4,00,000 7-50—K9*
[G.M. ... D. No. 2408, dated 23-6-22.]

DOCKET SHEET

Subject:—

Accounts of the Sugar Class licenses for the year ended 31.3.51

File No. LBG/1152

(Pt.) DEPT.

K. BRANCH.

References:—

Date.	To whom sent.	Notes and instructions.

Shri Venkatesh Power Works, Bagalkot

STATEMENT FORM

1	Company, etc.	Shri Venkatesh Power Works, Bagalkot.
2	Account for year ending.	31st. March, 1951.
3	Year of working.	8th year.
4	Motive Power.	Diesel.

5	Total capital expenditure at end of year (*not* capital of company.)	Rs.2,87,131 6 9	
6.	Revenue from electric supply.	57,655 7 0	
7	Revenue from meter rents and other sources (including interest on investments if any.)	2,577 4 0	
8	Total working costs excluding depreciation (col. 11) but including income tax from net revenue account.	70,672 .3 9	
9	Gross profit before providing for interest, depreciation or reserve (cols. 6 *plus* 7—8.)	(Minus) 10,439 8 9	
10	Interest (on debentures and loans) and special charges.	1,800 0 0	
11	Depreciation and reserve (for the year.) Writing off preliminary expenses included.	7,045 10 3	
12	Ditto per cent. on col 5.	2.45	
13	Financial result (col. 9—10 *plus* 11.)	(Minus) 19,285 3 0	
14	Ditto per cent. on col. 5.	6.72	
15	Units generated.	1,88,482	
16	Units sold.	1,69,501	

COSTS IN ANNAS PER UNIT GENERATED.

17	Fuel.	23,825 7 3	:	2.02
18	Oil, waste, water, engine room stores, etc.	6,274 2 0	:	.53
19	Wages and salaries excluding management (generation, distribution and public lamps together.)	12,507 11 0	:	1.06

20	Repairs and maintenance (generation, distribution and public lamp renewals when charge on contract rate for current includes renewals.)	8,342 0 9	: .71
21	Rent; rates; and taxes.	1,594 8 0	: .14
22	(a) Management, fee, Office allowance salaries (other then in col 19.), Office and legal expenses.	10,776 5 3	: .91
22	(b) incidental and overhead charges (other then capital charges.) e. g. depreciation, insurance. income tax, interest, etc. which cannot properly be included under any of the heads 17 to 21 and 22 (a) *Note:*— All working costs should go under one of these heads, but not capital charges.)	16,197 11 9	: 1.38
23	Total working costs (col. 17 to 22 added.)	79,517 14 0	: 6.75

TECHNICAL DATA.

24	Kilowatts connected to public lamps.	22 K.W.
25	Total consumers connected (number).	715
26	Total connections, kilowatts.	165 K.W.

Note:— Where there is also a tramway load the ratio of the (Kilowatts connected exclusive of the trams) to (units sold exclusive of trams) should first be found. Then the corresponding value of the kilowatts connected to the trams should be taken in the same ratio to the units used on the trams. The total kilowatts connected will then be the sum of the two.

27	Maximum load on feeders, kilowatts. (The figures given in the accounts appear mostly to be maximum station load. Both figers may be given.)		
28	Station Load factor $\frac{\text{units sold} \times 100}{\text{maximum load on feeders} \times 24 \times 365}$	$\frac{1,69,501 \times 100}{114 \times 24 \times 365}$	: 16.9
29	Plant capacity installed, kilowatts.	150 K.W.	

Works, Bagalkot

e year ending 31st.March, 1952.(1951)

Cr.

Items of receipts.	Receipts up to the end of previous year	Receipts during the year	Total receipts.
1 By ordinary shares of			
2 By Ditto			
3 By preferance shares of			
4 By Debenture stock	—		
5 By mortgages and bonds.	—		
6 By amount received in anticipation of calls	—		
7 By other receipts — (to be specified.)	—		
(A) Shri.V.P.Desai	20,000 0 0	= = =	20,000 0 0
(B)By.Proprietor:	1,77,679 14 0	77,618 10 3	2,55,298 8 3
(C)Municipality, Bagalkot:		5,830 9 0	5,830 9 0
Total Rs.	1,97,679 14 0	83,449 3 3	
		Total Rs.	2,81,129 1 3

Manager.

IV Revenue Account for the

	Rs.	as.	ps.	Rs.	as.	ps.
A.—Generation:—						
To Fuel	23,825	7	3			
,, Oil, waste, water and engine-room stores.	6,274	2	0			
,, Proportion of salaries of engineers, superintendents & officers	7,827	11	0			
,, Wages and Gratuities.						
,, Repairs and Maintenance as follows —						
Building	3,526	11	9			
Plant	2,560	3	0	44,014	3	0
To special items (to be specified)						
B.—Distribution Account:—						
To Proportion of salaries of engineers, superintendents & officers	4,680	0	0			
,, Wages and gratuities.						
,, Repairs, maintenance and renewals of mains.	632	15	0			
,, ,, ,, ,, ,, ,, transformers, etc.						
,, ,, ,, ,, ,, ,, meters, switches cut-outs and other apparatus on consumer's premises Services:	200	0	0	5,512	15	0
C.—Public Lamps:—						
To Attendance and Repairs	402	3	0			
,, Renewals, etc.	1,020	0	0	1,422	3	0
D.—Rents, Rates & Taxes:—						
To Rents payable	234	0	0			
,, Rates and Taxes	1,360	8	0	1,594	8	0
E—Management Expenses:—						
To Director's remuneration						
,, Management	5,301	11	6			
,, General Establishment Charges .... *	4,315	12	9			
,, Auditors of the Company						
,, Auditor appointed under the provisions of the Act.	260	0	0	9,877	8	3
F.—Law Charges:—						
To Law Expenses	898	13	0	898	13	0
G.—Depreciation:—						
To Depreciation in respect of leasehold works						
,, ,, ,, ,, ,, buildings	698	0	0			
on plant	3,980	6	0			
,, ,, ,, mains	1,163	7	3			
,, ,, ,,S. Board	190	0	0			
,, ,, ,, meters	214	8	0			
,, ,, ,, general stores ....Dead Stock	249	5	0			
,, ,, ,, any other items (to be specified.) Storage Tank	550	0	0	7,045	10	3
H.—Special Charges:—						
To Insurance charges	697	8	0			
,, Bad debts written off .... *	5,635	12	6	6,333	4	6
Total, Expenditure				76,699	1	
Balance carried to net revenue a/c.				76.699	1	

Bagalkot: 30th July, 1952.

COMPANIES' ACCOUNTS.

No. IX STATEMENT OF ENERGY GENERATED, SOLD. Etc.

Total energy generated in Kilowatt-hours.	KILOWATT-HOUR SOLD.					Kilowatt-hours used on works.	Kilowatt-hours not accounted for.	Total Kilowatt-hours accounted for.	Kilowatts connected for public lamps.	Total consumers connected.	Total Kilowatts connected.	Plant installed Kilowatts.	Maximum supply demanded in Kilowatts.
	Public Lamps.	By special contract	Consumers by meter for lighting purposes.	Consumers by meter for power purposes.	Total.								
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1,88,482	31,380	10,800	1,03,407	6,342	1,51,929	17,572	18,981	1,69,501	22 K.W.	715	165 K.W.	150 K.W.	114 K.W.

* Where the undertaking supplies power to tramways the units sold to the tramway should be treated as sold by "special contract." In calculating the "total kilowatts connected" the kilowatts connected exlcusive of the tramway should first be ascertained then the kilowatts connected to the tramway system should be assumed to bear the same ratio to the u[illegible]sed on the tramway as the remaining kilowatts connected bear to their consumption.

	Interest Payable		**7,700**	**0**	**0**				
(d)	**Audit Fees Payable**		**1,040**	**0**	**0**	8	By cash on hand	**1,787**	**9**	**6**
(e)	**Suspense A/C**		**5,598**	**14**	**3**		**By Revenue A/C LOSS:**	**44,067**	**14**	**6**
	Total Rs.		**3,61,915**	**15**	**0**		Total Rs.	**3,61,915**	**15**	**0**

Bagalkot Dated 30th July, 1952.

Accountant.

Manager.

Shri Venkatesh Power Works, Bagalkot

Dr. VI. *Reserve Fund Account for the year ended* **31st. March,** 1951 . *Cr.*

1 To Amount paid out (items to be specified.)	....		1 By balance brought from last account	....	
2 To Amount of balance to next account	....		2 By amount brought from Net Revenue a/c.	....	
			3 By Interest on amount invested	....	
			(Description of investments to be specified.)		
		NIL			NIL
Total Rs.	....		Total Rs.	....	

Bagalkot Dated 30th July, 1952. 19

Accountant.

Manager.

Shri Venkatesh Power Works, Bagalkot

Dr. *V.* *Net Revenue Account for the year ended* **31st March,** 1951 *Cr.*

	Balance B/F.	**24,782**	**11**	**6**						
1	To Interest on debentures accrued due to date ..				1 By balance from last a/c.					
2	To Interest on mortgages and bond saccrued due to date ...				Less dividend paid					
3	To Interest on temporary loans accrued due to date....	**1,800**	**0**	**0**	By amount carried to reserve fund					
4	To dividend on preference stocks									
5	To Income tax paid	**1,018**	**13**	**0**	2 By balance brought from revenue a/c.					
6	To Balance applicable to dividend on ordinary Stock or Shares ..				(No IV) **Loss c/o**				**44,067**	**14** 6
	To Revenue A/C (IV) LOSS:	**16,466**	**6**	**0**	3 By Interest on money at deposit					
	Total Rs	**44,067**	**14**	**6**	Total Rs ..				**44,067**	**14** 6

Bagalkot Dated 30th July, 19 52.

Accountant.

Manager.

Shri Venkatesh Power Works, Bagalkot

VIII. General Balance Sheet as on 31st. March, *19* 51

Dr. *Cr.*

LIABILITIES.	₹				ASSETS.			
1 To capital account:—					1 By capital account:—			
Amount received as per a/c. No. III		2,81,129	1	3	Amount expended for works as per Account No. III.	2,87,131	6	9
2 To sundry creditors due on construction of plant and machinery fuel, stores, etc.		15,783	12	6	2 By stores on hand .... Dead Stocks	5,973	7	9
					General Stores	5,523	2	9
3 To sundry creditors on open accounts					3 By Sundry debtors 1.Municipality:Bagalkot:	3,487	7	0
					2.Consumers,Bagalkot.	8,512	1	6
					3.Misc.Staff.Advances:	5,218	4	0
4 To net revenue a/c:—					4 By preliminary expenses awaiting adjustment			
Balance at credit there of					5 By securities as held (cost price)			
5 To reserve fund a/c.:—					6 By special items (to be specified.)			
Balance at credit there of					(a)			
					(b)			
6 To depreciation fund account		37,293	1	3	(c)			
7. To special items (to be specified)					(d)			
(a) Government Duty Payable		10,277	1	9	(e)			
Meter Deposit.		2,094	0	0				

Shri Venkatesh Power Works, Bagalkot

Dr. *VII.* *Depreciation Fund Account for the year ended* **31st. March,** *19* **51.** *Cr.*

1	To Balance	37,293	1	3	1	By balance from last account	30,247	7	0
					2	By Interest on investment			
					3	By amount brought from Revenue a/c. (See No. IV. G....			
						(Description of investments to be specified.)	7,045	10	3
	Total Rs.	37,293	1	3		Total Rs.	37,293	1	3

Bagalkot Dated 30th July, 19 51.

Accountant.

Manager.

year ending 31st March, 1951.

	Rs.	as.	ps.	Rs.	as.	ps.
By sale of energy for lighting purposes:—	41,599	10	0			
By sale of energy for power purposes.	1,261	15	6			
By Sale of energy under special contractors.	1,065	1	6			
By Public lighting	13,728 ~~13,782~~	12 ~~12~~	0 ~~0~~	57,655	7	0
By Rental of meters and other apparatus on consumer's premises.	2,175	10	0	2,175	10	0
By Rents receivable.						
By Tranefer fees.						
By service connections.	372	0	0			
By Miscellaneous receipts from consumers.	8	0	0			
By Other items (to be specified)	21	10	0	401	10	0
TOTAL :				60,232	11	0
TO LOSS:				16,466	6	0
				76,699	1	0

Bad Debts W.O.: 3971/12/6
W.O.for loss on stores: 1350/ 0/0
W.O. D.Stock: 314/ 0/0
5635/12/6.

Accounts Auditors.

Shri Venkatesh Powe

III Capital account for t

Dr.

	Heads of expenditure,	Expenditure up to end of previous year.			Expenditure during the year.			Total expenditure.		
1	To preliminary expenses (to be specified)									
2	To lands, including law charges incidental to requisition									
3	To buildings.	34,917	3	3	19,120	15	6	54,038	2	9
4	To plant.	79,607	14	3	7,706	2	0	87,314	0	3
5	To mains.	38,782	0	0	6,219	9	6	45,001	9	6
6	To service connections	=			4,650	0	0	4,650	0	0
7	To transformers, etc.									
8	To meters, and fees for certifying under the Act.	4,289	12	0	3,001	10	3	7,291	6	3
9	To general stores.									
10	To special items (to be specified)									
	Storage Tanks.				11,000	0	0	11,000	0	0
(A)	Switch Board.	3,850	0	0				3,850	0	0
(B)	Works in Progress:	29,997	5	0	34,047	7	0	64,044	12	0
(C)	Public Lamps:	=			9,941	8	0	9,941	8	0
	Total expenditure.	1,91,444	2	6	95,687	4	3			
	To balance of Capital Account							2,87,131	6	9
	Total Rs.							2,87,131	6	9

Bagalkot Dated- 31st.March 19 51. .

Acccountant.

13

30 Average price in annas obtained per unit (col. 6÷16). Rs.57,655/7/0 / 1,69,501 : 5.44.

31 Percentage dividend paid per year. =

32 The type and size of the generating plant with dates of installation thereof.

1. S. L. M. 3 DN 23 No. 7450 MB. 7200 of 1933.
105 BHP Diesel Engine coupled to ASEA 81 KVA alternator
3 Phase; 400/230; 50 cy. (old installation bbought into commission after changing the Main Shaft during 1949)

2. Chrysler, High Speed Diesel Engine, Vertical, 6 cy.4 strokes,
62 H.P. directly coupled to G.E.Alternator,
3 phase; 400/230 ; 50 cy. (purchased about April, 1948)

3. General Motors: 117 BHP High Speed Diesel Engine,
1400 RPM; No. 6030/SC/48451 coupled by "V" Belts driven
ASEA 71 KVA alternator; 3 phase; 400/230; 50 cy.
(purchased about October, 1948).

33 The nature of the supply—

(*a*) Generation, voltage, frequency, etc. 3 phase; 4 wire; 400/230 volts.

(*b*) Distribution, voltage, frequency, etc. 50 cycles.

ANNEXURE V

MODEL FORM OF ACCOUNTS PRESCRIBED UNDER THE INDIAN ELECTRICITY Act 1910

FOR COMPANIES.

(See Section 11 and Rule 36 (3).)

ELECTRIC LICENCE

For the year ending 31st March 1951

Statement of Share Capital appropriated for the purposes of the undertaking authorised by the above mentioned license at the end of the year. . . .

No. I.

Description of Capital.	Authorised by	No. of Shares issued	Nominal amount of Share.	Called up per Share.	Total paid up.	Issued not paid up.	Remaining un-issued.	Total amount authorised.
	Prop.				Asmuch as required.			

Statement of Loan Capital appropriated for the purposes of the undertaking authorised by the above mentioned license at the end of the year.

No. II.

Description.	Amounts Borrowed. At per-cent.	At per-cent.	At per-cent.	Total.	Remaining borrowing powers	Total amount of borrowing powers.
Shri.V.P.Desai	9%			20,000 0 0		As much as required.

Total Share Capital Paid-up, See No. I. =

Total Loan Capital Borrowed, See No. II. 20,000/=/=

Total Capital Received.

15

Report on the examinations and audit of the annual statement s of accounts prescribed under the Indian Electricity Rules, 1937 of the Bagalkot Electric Licensee for the year 1950-51.

****

The examination and audit of the annual statments of accounts of the Bagalkot Electric Licence for the year 1950-51 were carried out at ~~Bagalkot~~ Bagalkot on 30th,31st July and 1st August 1952. The ~~same~~ statements of accounts and financial and technical data as corrected during the course of audit are appended to this report.

PREVIOUS AUDIT.

2. (a) The compliance of the remarks raised in paras 2(iii)(iv)(v),4(b)(d), 5(b)(c)(d)(e), 6(a)(c),8(b),9,10,13(b),14(b) and 16 of the audit report on the accounts for the years 1946-47 to 1949-50, extracts of which were forwarded ~~x~~ by Govt.to the Proprietor of the concern with their Public Works Department No.LBG 1152 K dated 11-6-52 is awaited. It may please be expedited.

(b) ~~In~~Inspite of audit suggestion made in para 5(b)of the last audit report to maintain the account on the double entry system, no action has yet been taken in the matter.

Current Audit

3. ~~Statement~~ Statement II Loan Account : The Loan from Shri V.P.Desai stood at Rs.20,000/- at the end of the year under report.

4. Statement III Capital Account: a)Capital expenditure as shown below was incurred during the year under report.

	Rs.
i)Extension of Electrical Power House Building.	19,121/-
ii)Major replacement of spare parts to plant.	7,706/-
iii)New extension to mains.	6,220/-
iv) New connection installed.	4,650/-
v)Purchase of meters	3,002/-
vi) Construction of storage tanks.	11,000/-
vii)Work in progress for installation of new engine.	34,047/-
viii)Addition to public Poles and Lamps.	4,111/-

The Municipality contributed Rs.5830/- towards the capital expenditure and hence excluded from the total expenditure.

b)The percentage of turnover to total capital expenditure(excluding works in progress)comes to 27.00% during the year under report, as against 34.77% during the previous year.

c)The capital cost excluding works in progress per K.W.of plant installed comes to Rs.1443 for the year under report.

d)A block register containing the details regarding the various assets of the company has been maintained but not according to the requirements .The Licensee may be requested to maintain the block register in the form prescribed by Government in the circular P.W.D.No.2581-36-EL(1)dated 28.2.44. A copy of the form may be supplied to the ~~General Office.~~ Company.

5. Statement IV- (A)Revenue Account : The number of units sold, the amount and price per unit realised from the various classes of consumers together with the miscellaneous receipts for the year under report and those of the previous year are compared below :

	1949-50			1950-51		
	Units sold :	Amount Rs :	Price per unit realised to Annas :	Units sold, :	Amount: Rs :	Price per unit realised to annas.
Lighting.	1,07,470	41,040	6.11	114207	42,665	5.98
Motive power.	6,662	1,357	3.26	6342	1,262	3.18
Street lighting.	26,391	11,311	6.86	31380	13,729	7.00
Total.	1,40,523	53,708	6.11	151929	57,656	6.07
Miscellaneous receipts..		2,434			2,577	
		56,142			60,233	

i)... The price per unit realised in annas during the year under report is more or less the same as that of the previous year.

ii) In the following cases though the consumers are shop owners the Minimum charges have been charged ~~in~~ at Rs.1-5-6 per month instead of Rs.3/-

Page at Consumer's ledger	Name of the Shopkeeper	Amount.
16	S.H.Hatti	1-5-6
18	V.N.Savanur	1-5-6
19	V.R.Kandkur	1-5-6
21	M.Patil	1-5-6
26	M.Kalligad	1-5-6
32	N.Wali	1-5-6
33	H.J.Latif	1-5-6
34	V.B.Bengeri	1-5-6
36	Thakur Barshi	1-5-6
37	S.V.Malagi	1-5-6
39	C.Handral	1-5-6
40	H.Kendur	1-5-6

iii)Contract with Municipality: As per agreement between the Licensee and the Bagalkot Municipality the latter has to consume energy not less than 32,000 units (R.E.14000)in a year the rate of Rs.0-7-0 per ~~xft~~.unit.Whereas only 31,380 units were consumed(for Rs.13,728-12)during the year under report.Thus the licensee has charged the Municipality less (by Rs.272) . As against this the power works has to supply energy to two lights of 200 wts.each free of charge to the Municipality.No rebate has however been granted to the Municipality.

B)~~Working~~ The Working Expenses and cost per unit generated(exclusive of depreciation , interest etc.)for the years 1949-50 to 1950-51 are compared below :

~~Amount~~	1949-50 Amount Rs.	1949-50 Cost per unit generated	1950-51 Amount Rs.	1950-51 Cost per unit generated.
i)Fuel.	14,625	1.41	23,825	2.02
ii)Oil,water and ~~waste~~ waste	3,323	0.32	6,224	.53
iii)Wages & Salaries (excluding management)	9,412	0.91	12,508	1.06
iv)Repairs ~~and~~ maintenance.	10,734	1.03	8,342	0.71
v) Rent rates	1,186	0 .11	1,594	0.14
vi)Management & General.	8,964	0.86	17,110	1.45
	48,244	4.64	69,653	5.91
Units generated.		1,66,233		1,88,482

The cost per unit generated under all the heads has increased except in case of repairs and maintenance.This was explained to be due to gradual day to day rise in the ~~cost~~ cost of fuel, oil water etc.

~~b)Depreciation~~

6. Depreciation : Rs.7046/- : The licensee has not yet calculated depreciation according to the provisions of the Electricity(supply)Act,1948. The depreciation has, however, been worked out on straight line method as per percentages shown below:

1. Plant and machinery.	5%	The licence had worked out depreciation
2. Meters.	5%	at 5% on the stores also but it was
3. Switch Board.	5%	dis-allowed as it is not allowed on
4. Buildings.	2%	consumable stores.
5. Mains.	3%	The attention of the licensee may be ~~dr~~
6. Dead Stock	5%	drawn to paras VI(1),XI & XVII(6)(8) of the Sixth Schedule to the table appended

to the Seventh Schedule and he may be requested to calculate depreciation accordingly.In this connection a reference is also invited to para 8(b) of the previous audit report.

7. Bad debts : a)Rs.3971-12-6 This represents non-repayment of amount advanced for purchase of stores etc.and had to be written off as bad debts.

b)Writes off stores and Dead Stock :

The stores of the value of Rs.1350/- and dead stock of the value of Rs.314/- were written off during the year under audit. As depreciation is being charged on dead stock the company should find out the written down values which still remains to be written off(original cost less depreciation provided so far)and charge the same to contingencies Reserve vide para VII(3) of sixth schedule . For this ~~purpose~~ purpose the company should create a contingencies Reserve as required under para IV (1) of sixth schedule.

8. Octroi Duty : Octroi duty paid on machinery etc.has been included

under rates and taxes and charged to revenue . As this expenditure is incidental to the acquisition of the assets it should have been capitalised. The licensee may be instructed to capitalise such expenditure in future.

9. License for renewing wiring contract : A sum of Rs.25/- was paid into Govt.treasury as license fees for renewing wiring contract and debited to Rates and taxes.As this expenditure is not ancillary to the business of the Elctric Supply this was omitted and the statement got revised. The licensee has been requested to follow the correct procedure.

10. Charity: A sum of Rs.51/- was paid as charity to Matigars when their huts were burnt, and included in the General Establishment charges. As this expenditure is not ancillary to the business of Electrical Supply the expenditure was disallowed and the statements got revised.

11. Statement V: Net Revenue Account: The Net revenue account for the year under report shows a net loss of Rs.44067-14-6.

A sum of Rs.1018-13-0 has been paid as income tax assessed by the Income-tax authorities in the figures for 1948-49.It was explained that the tax was paid during the year under audit on the understanding that the refund would be obtained after the accounts are audited by the Income-tax authorities.

12. Statement VII Depreciation Fund Account: The balance in the depreciation fund account, percentage of depreciation of the total depreciable assets for the year under report and that of the previous year are shown below :

Year of account	Year of working	Amount Rs.	Percentage.
1949-50	7th year	30247	18.7
1950-51	8th "	37293	16.6

13. a)Statement VIII: General Balance Sheet : The balance sheet shows the suspense account of Rs.5598-14-3 as against of Rs.7223-15-3 of the previous year.The licensee has attempted to reconcile the suspense account and has reduced the same during the year under report.He may be requested to investigate further and reconcile the remaining balance vide also para 9 of the previous audit report.

b)Govt.Duty Rs. 10227/-: - Govt.duty amounting to Rs. 10277/- accummulated since 1946-47 has not yet been credited to Government.The licensee may be requested to remit the same into Government treasury immediately vide also para 5(c)of the previous report.

c)Sundry Creditors : Rs.15783-12-6:

It was explained that the sundry creditors are being cleared during the current year.

d)Sundry debtors : Dues from a)Bagalkot Municipality Rs.3487-7-0
& b)from Consumers " 8512-1-6
These represents bills for supply of lights etc.outstanding on 31.3.51 and are being recovered.The recovery is awaited.

e)Miscellaneous Staff Advances : Rs.5218-4-0: This represents advances given to staff and outstanding on 31.3.51.

14. Statement IX Units generated etc: The percentage of units lost in transmission and those used on works for the year under report and those for the previous year are compared below :

Year of account	Percentage of units lost in transmission.	Percentage of units used on works.
1949-50	3.81	11.61
1950-51	10.07	9.32

The percentage of units lost in transmission during the year under report has been abnormally increased and requires to be investigated.

15. Managing Agents Remuneration : As the Bagalkot Electricity Power House is a proprietory concern the affairs of the undertaking are managed, by manager and hence no remuneration for managing Agents has been claimed.

16. Office Allowance: The Office allowance admissible worked out as per Para XXII(3)of the VI Schedule comes to Rs.4,888-0-0, where as the company has actually spent and debited to Revenue account the the sum of Rs.9617-0-0 on this account.It is not clear why the company has calculated remuneration according to para XIII(3)of the Sixth Schedule, which applies only to the managing agents for the company.The sum of Rs.9,617 referred to above

above represents (i)Management.(Rs.5301-11-6) and (ii)General Establishment charges Rs.4315-12-6. It is not clear whether this amount represents the payment of office allowance to proprietor. The company may be asked to furnish the details of these amounts and state for what purposes this expenditure has been incurred. The company may also be asked to state whether any amount has been paid to the proprietors.

17. Capital Base : The capital base comes to Rs.258712/- :

The store ledger has not yet been maintained .The monthly closing balnces of stores could not be worked out as required by para XVII(e.(i)of VI Schedule.

In the absence of such data the average of opening and closing balances has been taken into account for purposes of calculation of the capital base. The licensee may be asked to keep the proper store account to be closed monthly.

In the opening balance of stores the licensee has included the item of dead stock. As dead stock is a fixed asset and depreciation is charged thereon it can only be included as a fixed asset and not taken into account for average monthly stores balances.

18. Clear Profit : The total income as per para XVII(2)(a)of the sixth schedule comes to Rs.60448-0-0 which includes Rs.215 bank balances. As under para XVII(2)(a)only income derived from bank balances i.e.by way of interst etc.are to be taken into account. The company may be asked to note that actual cash balance is not to be included in the calculation of clear profit. The total expenditure (excluding taxes of income Rs.1019 interest on loans Rs.1800) works out to Rs.72657/-. Interest on loans and advances has been excluded as this is not an expenditure which is ancillary on incidental to business of electric supply. Income tax has been excluded as this does not pertain to the year of audit.

The licensee has not provided for contingency reserves and should be asked to make the necessary provision in respect of the years 1949-50 and 1950-51

19. Reasonable Return : The reasonable return works out to Rs.12936/- during the year under report.

20. The working results as per schedule VI of the Electricity Supply Act 1948 disclose a net loss of Rs.12209 as against the reasonable return of Rs.12936/-.

21. General state of accounts: The general state of accounts require improvement as most of the irregularities pointed out in previous audit reports are not yet set right, especially the accounts are not yet maintained on the double entry system of accounting vide para 2 of the audit report.

The licensee may be requested to take early action on all the po-ints raised in the audit report.

P Dwarka

Asstt.Examiner, Outside Audit.

13/9

Reply to be Addressed to -

THE EXAMINER, OUTSIDE AUDIT DEPARTMENT.
Branch Office of The Accountant Gen[illegible]
Universal Assurance Building, 4th [illegible]
Sir, P. M. Road, BOMBAY No. 1

No. OA/8692
13/9/52

To
The Secretary to the Government of Bombay,
Public Works Department, Bombay.

Subject: Report on the audit of the accounts of the Bagalkot Electric License for the year ended 31/3/51

Sir,

I am to forward herewith the report on the audit of the accounts of the Bagalkot Electric License for the year ended 31/3/51.

Extract of paragraphs 2; 4(a); 6; 7(b); 8; 13(a)(b)(d); 14; 16; 17; 18 and 21 of the audit report may please be forwarded to the management for information and necessary action.

Special attention of Government is invited to [illegible].

Yours faithfully,
P. D. Naik
(P.D.Naik)
Asstt. Examiner, Outside Audits.

Copy together with a copy of the audit report forwarded to
The Electrical Engineer to the Government of Bombay, Bombay.

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LBG/1152/88231.

PWD.

KBr

Submitted.

2. The usual memo ⊗ calling for the El. Engr. to Govt.'s remarks in the matter, put up for signature may issue

23/9/52.

⊗ issued under No. LBG/1152K, dated 24-9-52.

A.S. (II).

LBG 1152

8823/

K-Br.

Rwd.

The Sl. Engr. to Govt. expedited under No: LBG 1152-K, dated the 12th November 1952.

K.BH.
11/11/52.

11/11

Supdt.

17/11

No. L.A.53/1417 C of 1952-53.
P.W.D.Offices, Churchgate Street,
Fort, Bombay(1) 7th January 1953.

To

The Secretary to Government,
Public Works Department, Bombay.

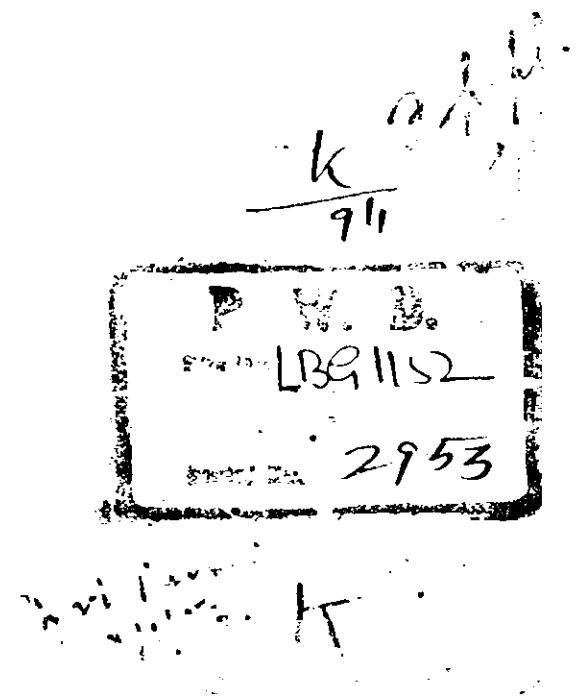
Re:- Report on the audit of the statements of accounts of the Bagalkot Electric Supply Undertaking for the year ended 31st March 1951.

Reference: Government, Public Works Department, Letter No.LBG 1152 K, dated the 24th September 1952.

2. Extracts of paras,referred to in para.2 of letter No. O.A./8692 dated the 13th September 1952, from the Examiner, Outside Audit Department, may be forwarded to the Supply Company for information and necessary action.

Electrical Engineer to Govt.

P/7/1.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P. W. D.

Submitted with ref. to O. n. dt. the 23-9-52 — P. 25

The necy. draft sheet may kindly be approved. — P. 31.

12/1/53

12-1-53

A.S. (IV)

No. LDA. 1152 K.

B. W. D.
B. C. (B'bay No. 1)
14th Jan. 1953

To

The Manager,
The Bagalkot El: Supply Undertaking,
Bagalkot.

Subject: Accounts for the year ended 31st March 1951

Sir,

I am directed to forward herewith for information and necessary action the extracts paras 2, 4(d), 6, 7(b), 8, 13(a)(b)(f), 14, 15, 16, 17, 18, 19, 20 and 21 of the audit report on the accounts of your Undertaking for the year ended 31-3-51

Yours faithfully,

D. A.: Extract paras referred to.

Asst Secy. to
G. W. D.

Copy forwarded for information to—

the Examiner, L. A. D., A G's Office, B'bay, with ref. to his letter No. OA/8692, dt the 13th Sept 1952,

the EE. Engr. to Govt with ref. to his letter No. EA 53/14176, dt the 7th January 1953

12/1/53

13/1

Was accepted
ISSUED
Date 15-1-53 MS